



Official Minutes from the October 19, 2022 MCC Advisory Council Meeting

Millennium Challenge Corporation (MCC)

October 19, 2022

8:30 am – 12:00 pm ET (Hybrid; Webex/In-person)

Meeting Agenda

Time	Event
8:30 am – 9:00 am	<i>Networking & Breakfast Reception</i>
9:00 – 9:30 am	Advisory Council 101 <ul style="list-style-type: none">• Call to Order and Roll Call (<i>Alex Dixon, Practice Lead/Senior Director, Finance, Investment and Trade</i>)• Overview of Agenda (<i>Alex Dixon, Practice Lead/Senior Director, Finance, Investment and Trade</i>)• Overview of the Advisory Council (<i>Jennifer Rimbach, Acting CMO/Senior Program Officer – Finance, Investment and Trade</i>)
9:30 – 10:00 am	Welcome and Discussion with MCC Leadership <ul style="list-style-type: none">• Welcome Remarks (<i>Mahmoud Bah, Deputy CEO</i>)• What's Next for MCC@20• Discussion and Q&A with Deputy CEO
10:00 am – 10:15 am	<i>Coffee Break</i>
10:15 am – 10:45 am	<ul style="list-style-type: none">• Open Floor discussion• Ice Breaker (<i>Cameron Alford, Vice President, Department of Compact Operations</i>)
10:45 am – 11:45 am	MCC 101 with the Department of Compact Operations' Management <ul style="list-style-type: none">• MCC 101 (<i>Jonathan Richart, Deputy Vice President</i>)

Time	Event
	<ul style="list-style-type: none"> • Africa Portfolio (<i>Kyeh Kim, Deputy Vice President</i>) • EAPLA Portfolio (<i>Amanda Jennings, Managing Director</i>) • Discussion and Q&A
11:45 am – 12:00 pm	Closing Remarks / Public Comment / Housekeeping (<i>Alex Dixon, Practice Lead/Senior Director</i>)
12:00 – 12:45 pm	Networking Lunch (Optional)

Advisory Council 101

Alex Dixon welcomed everyone, expressed gratitude to the Council, and reviewed the agenda. He also noted MCC's CEO is travelling and will be at the next meeting. The roll was taken.

Jennifer Rimbach explained the [Federal Advisory Committee Act \(FACA\)](#) and what MCC does in order to stay compliant. MCC meetings are public. MCC also posts its [meeting minutes](#). Council members serve in a representative capacity, so their companies can bid on procurement opportunities. Conflicts of interest are determined by procurement and legal. **Jennifer** also stated MCC sends the Council information for meetings and asks members to share their network's knowledge. Council can review minutes, and Council Co-chairs approve them.

Kimberly Heimert asked if MCC thought of not attributing council members' comments. **Jennifer** said it has been MCC's practice but could change. **Alex** noted that many want attribution.

Jeff Montera asked what strategic imperatives drive the subcommittees. **Alex** said MCC plans based on the strategic direction of MCC and current issues to be addressed.

Jeff asked how and when members can sign up for committees. **Alex** said members can serve on both subcommittees which meet before biannual meetings.

Tracy Washington asked how subcommittees discussed blended finance for climate investment because the blended finance subcommittee and energy and climate subcommittee may overlap. **Alex** said items more strongly correlated with finance go to blended finance and vice-versa.

Welcome and Discussion with MCC Leadership

Mahmoud Bah greeted everyone and explained that, in MCC@20, MCC is celebrating accomplishments, learning from experience, and setting a vision.

Randall Kempner and Joan Larrea asked about MCC's presence at the 27th Conference of the Parties (COP27). **Mahmoud** said MCC's plans are still fluid, but it hopes to present on climate resilience and

recent projects.

Shehnaz Rangwala asked 1) how much oversight MCC has over , 2) how MCAs can be reached, and 3) how gender-inclusive policies are implemented when SMEs are also involved. **Mahmoud** stated MCC works with partner countries to establish MCAs. MCAs are independent entities under the government of the host country which implements the program. MCC and the MCA are separate. MCAs follow MCC procurement guidelines. MCC tries to be hands-off but very present. 2) You can reach MCAs directly or through MCC. 3) MCC gender inclusion is integral to MCC compacts. MCC routinely considers whether activities are structurally exclusive and breaks down exclusions.

Nancy Lee expressed interest in how MCC's blended finance strategy has evolved over time and asked how MCC measures climate finance inputs and outcomes in mitigation and adaptation. **Mahmoud** said MCC identifies constraints tied to climate from the beginning of the analysis. MCC measures outcomes and is constantly learning how to measure them more effectively.

Jonathan Richart said the agency's 50% goal to invest in climate is based on what MCC has historically done and its climate commitment and strategies. MCC is weaving climate constraints into new programs, updating its guidance and analytical tools, and establishing a greenhouse accounting structure mechanism.

Jeff asked if the politization of compacts informs the increased number of MCC's partner countries. **Mahmoud** said MCC always uses its scorecard model and considers global events (coups, etc.).

Valarie Vencatachellum asked 1) how MCC manages its expansion and deepening local involvement, and 2) how it will develop new partnerships. **Mahmoud** said 1) MCC is pursuing more efficiency and resources to accomplish its vision. 2) MCAs' ownership increases both MCC's risk and flexibility. The FIT group and focus on deliverables help de-risk partnerships.

Josh Powell said digital is an untapped, open area for MCC and asked 1) what the constraints are to developing infrastructure, connectivity, and last mile solutions, and 2) how the Council can help. **Mahmoud** said 1) MCC has some digital success in compacts that are not fundamentally digital compacts. MCC is having internal discussions about seeing digital as a constraint.

Kimberly Heimert asked 1) if MCC's request to expand its country partners involves moving into higher-income countries with lower-income areas, and 2) if it has good odds of approval. **Mahmoud** said MCC is asking Congress to let us work in the 125 poorest countries. It is not tied to subnational. The legislation already passed the House, so MCC is hopeful.

Tracy France said she would like Council input on advancing DEIA in MCC programs.

Thierry Tanoh said MCC's impact is linked to the amount in the MCC packages and wondered if MCC's planned expansion would mean smaller grants or if there would be more resources.

Open Floor Discussion and Ice Breaker

Joan suggested getting Council input in meetings by asking members to briefly say what trends they are seeing in their work. Her idea was well-received.

Peter Choharis asked how the Council can reach out to MCC with ideas and **Cameron Alford** said to contact **Alex Dixon** and **Jennifer Rimbach** who can identify the correct channels for this.

Kimberly asked how broadly MCC@20 is reevaluating its structures. **Cameron** said it considers what works, what doesn't, what is statutory, and which statutory frameworks can change.

Darius Teter asked if MCC has made progress in making projects move forward more quickly. **Cameron** said it is still a challenge. Sometimes, large projects take longer.

Roland Pearson asked how well MCC is positioned to capitalize on blended finance as an instrument. **Cameron** said MCC is strategizing how to do more. ACFD ties MCC and DFC together and leads to opportunities for DFC to coordinate partnerships with the private sector.

Thierry affirmed the five-year goal but suggested regional projects' timelines increase to seven years because of complexity.

Nancy suggested MCC raise its profile and help others by engaging in the development banks' conversation about country ownership and platforms and its experience and explaining how compacts work.

Guevera Yao said the private sector and governments want digital so MCC should consider digital compacts. **Cameron** noted that and said the Council may benefit from analysis of the score card indicators and how it evolves over time.

MCC 101 with the Department of Compact Operations' Management

Jonathan gave an overview of MCC through [MCC at a Glance slide](#). Then **Kyeh Kim** presented the [MCC in Africa slides](#). Then **Amanda Jennings** presented the [EAPLA Compact Portfolio Overview slides](#).

Nancy asked about blended finance in Kosovo, Indonesia, and other compacts. **Alex** said the Indonesia Compact is hoping to catalyze investments in infrastructure through the BFD, a blended finance facility, and will with an infrastructure development bank to implement the \$50 million project. MCC is trying to catalyze lending to MSMEs and is giving them technical assistance. In the Kosovo Compact, the blended finance activity supports the power sector.

Kimberly asked 1) if MCC could explain what MCC does (e.g., MCC's blended finance model) in a way that is comprehensible to the private sector that explains how the private sector can engage, and 2) if MCC grants for infrastructure help defray government costs. **Alex** said presenting MCC to the private

sector is a challenge and an important goal. The Council can help MCC explain it.

Jonathan enumerated the core ways MCC is trying to use its grant money is to support public funded projects: 1) by building infrastructure that will catalyze private sector investment, 2) by making deals, and 3) by catalyzing policy and institutional reforms and assessing needs to bring the private sector in—without crowding out private investment. **Alex** said we don't have the perfect model, but we are exploring and trying to refine it. **Jonathan** said many are enthusiastic to work with MCC but find MCC's constraints difficult. MCC would like to make that easier. ACFD is one way we do de-risk projects led by DFC.

Kimberly asked if the ACFD pool of money is country specific. **Jonathan** said that it is country specific since MCC money only moves through compact and threshold programs, but it is looking at ways to expand that so we have broader compacts, so we can work with any DFI. **Alex** said, through ACFD, MCC is widening its parameters to work with DFC in many areas.

Peter said insecurity makes development more difficult. The DFI community needs to start thinking about security as a development issue, especially regarding vulnerable populations.

Thierry said the strategic priorities and bylaws of MCC should include education. **Alex** said MCC has restrictions on its funds. MCC can share lessons learned within the US government. Education is an active part of MCC's programs. It should be highlighted in the bylaws. **Jonathan** confirmed that MCC's priorities are cross-cutting and include educational programs.

Jeffrey Jackson described the 3-D strategy (defense, diplomacy, and development) and said USAID has knowledge and experience in the issue of security in development.

Randall asked if MCC provides compact countries with climate experts or consultants.

Milton Lore said MCC's Annual Partnerships Report spotlighted aspects of MCC's work that can motivate hesitant organizations to partner, co-implement, co-create or co-fund with MCC.

Alex said MCC has lessons learned to share but that US government interagency alignment is difficult. MCC climate work is consistent with its model. Climate is examined from the outset of our country's engagement. Climate is part of the dialogue and country ownership. We have a limited number of climate experts in MCC, so we bring in consultants. The MCC climate team also has other responsibilities but is working well on climate issues.

Closing Remarks/Public Comment/Housekeeping

Alex opened the floor for public comment.

Guevera Yao offered MCC the opportunity to speak to the US Chamber. **Alex** thanked him and said MCC would take advantage of that opportunity.

Jeffrey asked if the MCC would consider attending regional development bank annual meetings. Alex said MCC speaks with the development banks, but MCC's limited staffing has prevented it from attending their annual meetings. He thanked everyone and adjourned the meeting.

Networking Lunch (optional)

MCC Advisory Council Members Present

- Andrew Gunther
- Ann Hudock
- Daniel Tomlinson
- Darius Teter
- Deirdre White
- Guevera Yao
- Jeff Montera
- Jeffrey Jackson
- Joan Larrea
- Joshua Powell
- Kate Ahern
- Kimberly Heimert
- Milton Lore
- Nancy Lee
- Olu Verheijen
- Peter Choharis
- Randall Kempner
- Rees Mwasabili
- Roland Pearson
- Shehnaz Rangwala
- Thierry Tanoh
- Tracy Washington
- Valerie Vencatachellum

MCC Advisory Council Member Absent with Apologies

- Darci Vetter

MCC Participants

- Alex Dixon
- Amanda Jennings
- Bahgi Berhane
- Cameron Alford

- Jennifer Rimbach
- Jonathan Richart
- Kyeh Kim
- Mahmoud Bah
- Tracy France